

**FISCAL NOTE**

The overall fiscal impact is indeterminable due to unknown factors including utilization of program by eligible borrowers for various projects.

This draft legislation clarifies that the total amount of outstanding loans under the program cannot exceed \$400 million and the aggregate sum of outstanding infrastructure project loans cannot exceed \$200 million.

There is the potential for an indeterminable revenue decrease.

By designating up to \$400 million in outstanding loans from the Wyoming Permanent Mineral Trust Fund (PMTF) for the Build Wyoming program, there will be less money available in the PMTF corpus to invest under the Treasurer's Office investment program. It is impossible to know exactly how much the investment income will decrease since it is not known how extensively the Build Wyoming program will be used nor the exact interest rates and terms for the loans. But assuming that all funds are utilized and there is an average interest rate of 1 percent and an average term of 10 years for the Build Wyoming loans, then there will be an approximate reduction of \$160 million in investment income that will be distributed pursuant to the PMTF spending policy over the 10-year period. This is based on the PMTF's return for the last 10 years in the amount of 4.99 percent. This decrease in investment income will impact the Legislative Stabilization Reserve Account and Strategic Investments and Projects Account as their distributions from the PMTF investment income are not guaranteed while the 2.5 percent spending policy amount distributed to the General Fund is guaranteed. However, if the PMTF Reserve Account is depleted due to the requirements of the Build Wyoming Loss Reserve Account, then there is a possibility that there will be insufficient funds to guarantee the 2.5 percent spending policy distribution to the General Fund.

In addition, if a loan was to default, there would be additional costs related to the foreclosure on the collateral and the ongoing maintenance requirements of such property. It is not known what this cost would be and there is a possibility that the loss reserve account would not be large enough to cover the ongoing costs related to the State's ownership of such property.

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